

LEANing the Process: Clean Water Fund Applications

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The Clean Water Fund

- Mechanism for providing funding to municipalities for wastewater collection and treatment improvements.
- Clean Water Fund provides a combination of grants and loans.
- Projects range from \$100,000 planning projects to \$100,000,000 construction projects
- In order to qualify for funding, projects need to be listed on Priority List (2 year cycle).
- Once funding for program is approved by legislature, municipalities can apply for assistance from program.

Overview

- The Clean Water Fund provides approximately \$240M annually to municipalities.
- Typically, at any given time, there are 15 to 20 applications in house being processed.
- This has been the state of the process since its inception in 1987.

Project Team Charter

Opportunities for Improvements: From the date of submittal of a Clean Water Fund application to the closing date of an Interim Funding Obligation (IFO) takes an average of 294 days. There is currently no expectation among the various parties regarding how much time this process should take.

Ah Ha Factor! While preparing data, we discovered that our “assumed” time to process an application (4 months) was in fact closer to 10 months.

Project Team Charter

Project Scope: To evaluate the current process of receiving and processing an application for funding, involving all the parties who are involved in the process.

Project Team Charter

Goals (Metrics): To substantially reduce (by at least 50%) the average time to process a Clean Water Fund application (from receipt of application to execution of an Interim Funding Obligation) from the current average of 294 days.

Evaluation Process: Value Stream Mapping (VSM)

The activities and steps, both valued and non-value added, in the current process.

Type of Process	Current # of Processes
Value added = Green	1
No Value Added = Red	12
No Value Added but Necessary = Yellow	34
Waiting = Pink	10
Transport = Blue	22



Analysis of the Current State per VSM

- There are many steps that are necessary but add no value to the process.
- A lack of standardization means that processing times may vary based on which staff, bond counsel, municipality, and consultants are involved.
- None of the parties has a full understanding of what the other parties are doing.
- Ultimately, only one item adds value to the process: getting the money to the municipality.
- The actual time to process an application was a surprise to all !!
- No Expectations !!!

Stakeholders Input

- Everyone surprised at how much time process actually took!
- More info available that other parties could use.
- Stakeholders volunteered to assist in efforts to LEAN process.
- Some people in process were willing to step aside to streamline.
- Yes, it's true! **ONLY ONE VALUE ADDED !**



Improvements to Future State

Type of Process	Current # of Processes	Future # of Processes
Value added = Green	1	1
No Value Added = Pink	12	0
No Value Added but Necessary = Yellow	34	33
Waiting = Purple	10	1
Transport = Blue	22	11
Total	79	46
% REDUCTION IN THE NUMBER OF TOTAL STEPS = 42%		



LEAN Result

- Reduced average loan application process time from 294 days to 113 days (62%).
- Eliminated redundant tasks (such as signature checks).
- Added time expectations to tasks.
- Reduced transport times.
- Added standardization expectations.
- Added quality checks.

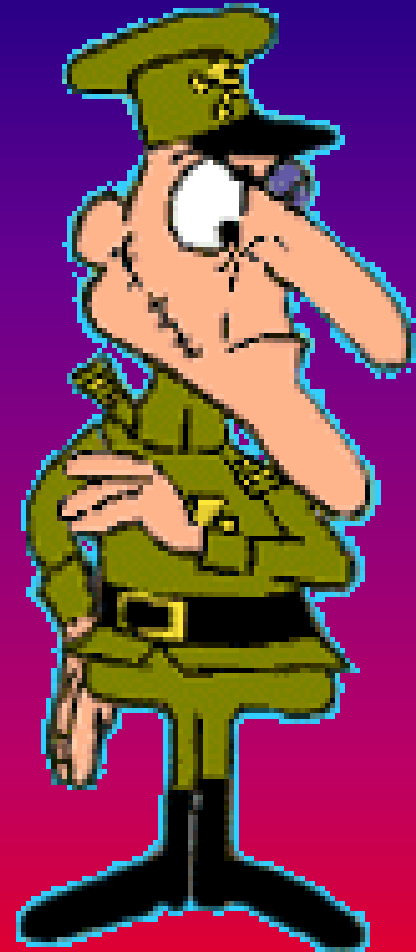
Key Performance Indicators

- The Key Performance Indicators are based on the days in between major milestones:
 - Application received
 - Application review complete
 - Draft funding agreement to town
 - Town's Signature
 - DEP Commissioner's Signature
 - Interim Funding Obligation Executed

Benchmarking

Search other state websites to see if there is any information available to benchmark the program against.

Post a request to CWSRF online forum for any information that may be available to benchmark the program against.



Because Fred said so...

Project Implementation Plan

● 2 Month Goals

- Weekly Team Meetings
- KPI Tracking built into new CWF database currently in development
- Presentation to CWF technical & administrative staff next week
- Combine 3 different checklists into one.
- Letter from Town to Bond Counsel informing BC town has applied for funding.

Project Implementation Plan

● 6 Month Goals

- CWF Agreement Internal Quality Control
- NEW CWF Agreement signature routing
- Development of SOPs:
 - CWF
 - Tech/Admin Review
- Internal Training on SOPs
- New CWF Application development & implementation
- Bond Counsel work group to revise boiler plate language

Project Implementation Plan

● 1 Year Goals

- Review of how process implementation is progressing
 - CHECK
 - ACT
- Compare KPIs to old data
- Survey stake holders on revised process
- Online application submission
- Tax questionnaire revision

Final Revelation

Because the process was mentally draining:

Let
Engineers &
Accountants
Nap

